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IN THE

Supreme Court of the United States

October Term, 1963
No. 861

ENGELHARD INDUSTRIES, INC.,
Petitioner,

vs.

RESEARCH INSTRUMENT CORPORATION,
Respondent.

Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

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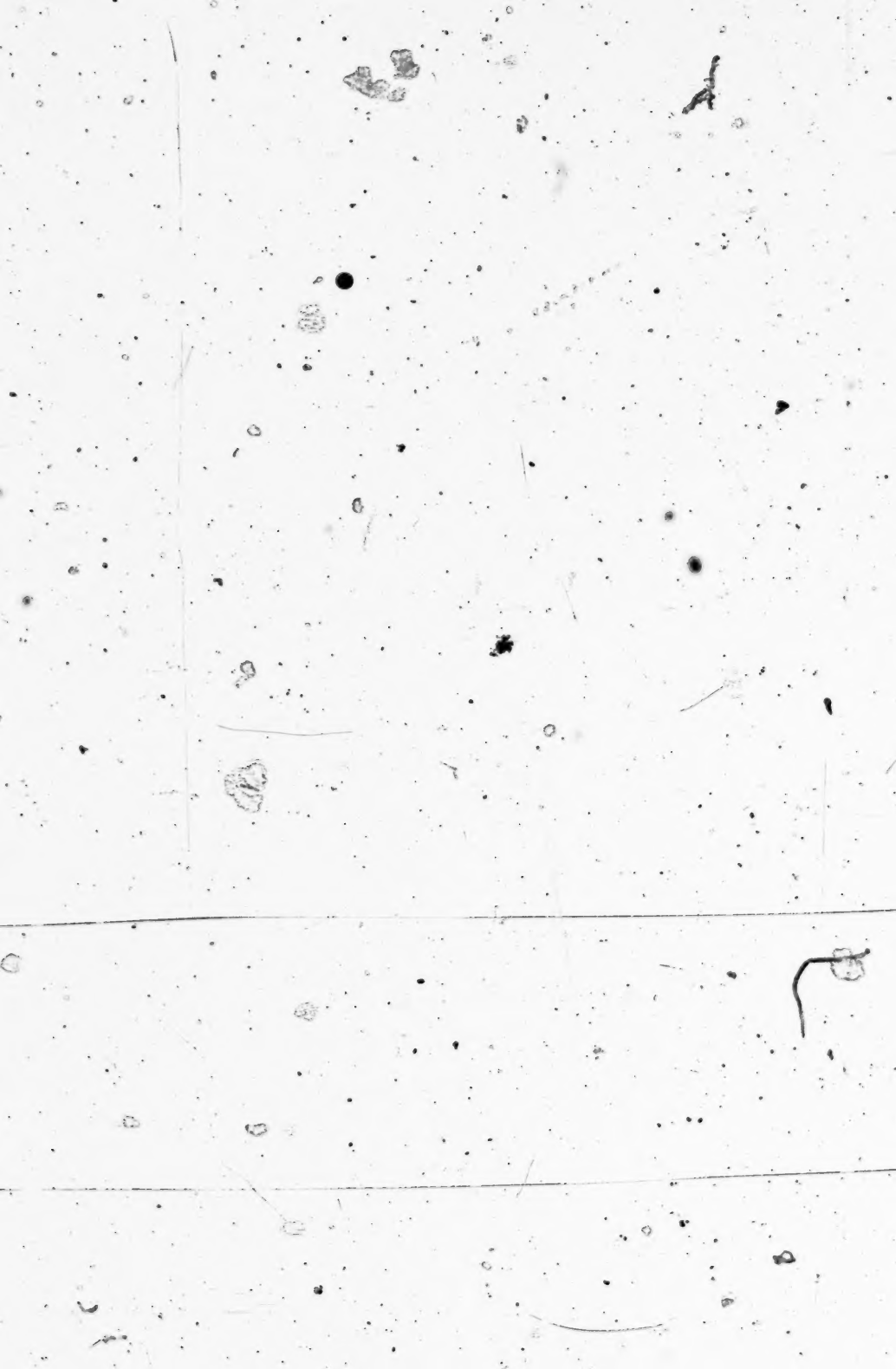

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Petition for a Writ of Certiorari to the United States Court of Appeals for the Ninth Circuit.

Your petitioner, Engelhard Industries, Inc., prays that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Ninth Circuit entered in the above-entitled case on October 28, 1963.

Citations to Opinions Below.

The memorandum opinion of the District Court (Southern District of California, Central Division) [R. 240] is reported at 131 USPQ 130, 196 F. Supp. 138 (1961), and is printed in Appendix B hereto, *infra*, App. p. 7. The opinion of the Court of Appeals for the Ninth Circuit, printed in Appendix B hereto, *infra*, App. p. 20, is reported at 139 USPQ 179, 324 F. 2d 347 (1963).

Jurisdiction.

The judgment of the United States Court of Appeals was entered on October 28, 1963, (as per certified transcript); *infra*, App. B, p. 34. Rehearing was denied on December 23, 1963 (see certified transcript). The jurisdiction of this Court is invoked under 28 U. S. C. Section 1254(1).

Questions Presented.

1. In affirming summary judgment, may the Court below, having disagreed with the District Court on one legal issue, *sua sponte* reach the same result on another issue by considering *only* a limited portion of the record relating to the first issue without permitting the petitioner an opportunity to identify and augment portions of the record that would create a genuine issue of material fact with respect to the second issue?

2. May the Court below, in affirming summary judgment decide the issue of infringement, primarily a fact question, solely on the basis of the record relied upon by the District Court in deciding the issue of file wrapper estoppel, primarily a law question, without considering or giving the petitioner an opportunity to identify other portions of the record which create a genuine issue of material fact?

3. Is it necessary to submit a counter-affidavit in opposition to an affidavit of counsel in a summary judgment proceeding if numerous sworn statements controverting such affidavit appear in answers to requests for admissions *of record before the District Court and the Court of Appeals in the papers relied upon by the moving party?*

4. In affirming summary judgment, may the Court of Appeals "close its eyes" to untimely affidavits submitted below (forming part of the record on appeal), upon the sole basis of untimeliness without considering the effect of said affidavits upon the question of "genuine issue of material fact", particularly when:

(a) the moving party's documents as a whole buttress the conclusion of a material fact issue:

(b) the primary basis of no issue of material fact arises from a single[1] ambiguous admission and affidavit of interested counsel; and,

(c) a United States Patent issued to the moving party conflicts with a key allegation in the moving party's affidavit?

5. In a summary judgment proceeding:

(a) is it an abuse of discretion for the trial court to refuse to consider an issue of material fact created by a conflict between the moving party's affidavit and a United States Patent issued to the moving party subsequent to the motion hearing; and

(b) is it an abuse of discretion of the trial court to refuse to consider corrective affidavits submitted after the original hearing but before entry of judgment?

6. May the Court of Appeals, in affirming summary judgment:

(a) properly *sua sponte* determine the essence of an invention in a critical and ultimate fact area

[1]The word "single" is used here and throughout the petition since only one of the four admissions considered by the District Court [R. 249] is relevant to the issue. [Appendix C, App. p. 37.]

upon the basis of a single affidavit of counsel for the moving party and a single ambiguous admission; and,

(b) thereafter interrelate such determination to patent claim language without giving the other party an opportunity to be heard as to unconsidered portions of the record specific to such critical and ultimate fact area and as to the ambiguity of the admission?

7. Should petitioner have been given the opportunity to supplement the record considered by the Court of Appeals, as requested in petitioner's request for rehearing (*infra*, Appendix C, App. p. 39), in view of the reliance by the Court of Appeals upon a different factual and legal theory than that forming the basis of the decision of the trial court upon which the appeal was taken?

Statutes Involved.

The statutory provisions involved are the Federal Rules of Civil Procedure prescribed by the Supreme Court under Title 28, Section 2072, United States Code, and in particular Rule 56 relating to summary judgment (the amendment of January 21, 1963, effective July 1, 1963 being printed in italics) and Rule 36 entitled admission of facts and genuineness of documents.

The statutory law included also involves Rule 61 of the Federal Rules of Civil Procedure entitled Harmless Error and 28 United States Code 2111 also relating to Harmless Error.

The statutes and rules are reproduced in Appendix A.

Statement.

The petitioner, Engelhard Industries, Inc., filed a complaint for patent infringement against respondent, Research Instrument Corporation in the District Court basing jurisdiction on 28 U. S. C. 1338(a). Subsequently, the complaint was amended to include a second cause of action for unfair competition under the provisions of 28 U. S. C. 1338(b). [R. 2.]

The present petition is directed solely to the cause of action concerning patent infringement.

After extensive discovery proceedings, defendant moved without affidavits for summary judgment, alleging the patent to be invalid, file wrapper estoppel, the patent not to be infringed, and alleging that its acts did not constitute unfair competition.

Englehard resisted the motion, filing two counter-affidavits not conforming with the requirements of Rule 56(e) FRCP. [R. 164.] Thereafter, Research (in a reply brief) filed an affidavit by one of its attorneys. [R. 192.]

The Court, in ruling for Research, on both causes of action, stated with respect to the patent infringement issue. [R. 248, 249.] (Appendix B, *infra*, App. p. 17.)

> "In view of the repeated statements by the patentee throughout the file wrapper, as above noted, that his invention conceived that the unimmersed sections of the cathode should be free from creeping of the electrolyte so as to prevent the forming of a film of the electrolyte on it, and in view of the construction and operation of defendants' devices as above noted, I can see no other conclusion to be reached than the plaintiff is

estopped to now assert that his claims cover the very thing which he so emphatically asserted to the Patent Office was not desired and was not claimed in his invention, *and that there is no genuine issue of any material fact supporting such estoppel.* . . .

"In arriving at the foregoing conclusion, *the Court has taken into consideration only* the pleadings; the patent in suit; its file wrapper; the defendants' device, auto-optically; plaintiff's admissions No. 253, 256, 257, 263; the affidavits of Lawlor, Bryan and Cohn; and the numerous statements, arguments and briefs of counsel. *All of the other ponderous matter submitted by the parties is irrelevant and immaterial on the issue of file wrapper estoppel.*" (Emphasis added.)

Engelhard then sought a rehearing on the basis of newly discovered evidence, Pat No. 2,992,170 [R. 253], and by submission of affidavits superseding the defective affidavits and conforming with Rule 56(e) [R. 404, R. 416, R. 425]. Such rehearing was denied [R. 438] and Engelhard appealed to the Circuit Court of Appeals, designating only that portion of the record material to the issue of file wrapper estoppel and unfair competition. [R. 444.]

The Court of Appeals reversed as to summary judgment on the unfair competition cause of action; and such cause of action (as heretofore stated) is not now involved in this petition. However, although the Court of Appeals disagreed with the District Court on the legal issue of file wrapper estoppel, the Court of Appeals stated that the District Court was "entitled to conclude" from the materials before it (Appendix B, *infra*, App. p. 26) on the hearing of the motion for summary judgment that no infringement existed. The Circuit, in volun-

teering this conclusion disregarded the fact that the District Court relied only (as stated in the aforesaid opinion) on the record pertinent to the issue of file wrapper estoppel, and that Engelhard also confined its record on appeal and its briefing thereof to said issue. (Also, the Circuit Court made a factual error *re* the availability of new evidence, see Request for Rehearing, Appendix C. *infra*, App. p. 36.)

After the Court of Appeals decision, a rehearing was requested, (Appendix C, *infra*, App. p. 35) including a request to consider other portions of the record on appeal and before the trial court (App. p. 39, *infra*). The request for rehearing was subsequently denied and this petition for writ of certiorari has been filed.

Reasons for Granting the Writ.

I. The decision of the Court below in the instant case is in conflict with the decision of the Supreme Court in the case of *Fountain v. Filson et al.*, 69 S. Ct. 754, 336 U. S. 681, 93 L. Ed. 971. The Supreme Court states in that case with respect to summary judgment the general principle that a party should have an opportunity to present a defense before the trial court when the Court of Appeals rules on a different issue without permitting opposing party to dispute the facts in the trial court. This Court stated:

> "For here the order was made on appeal on a new issue as to which the opposite party had no opportunity to present a defense before the trial court."

It also stated:

> "When the Court of Appeals concluded that the trial court should have considered a claim for per-

sonal judgment, it was error for it to deprive Mrs. Fountain of an opportunity to dispute the facts material to that claim by ordering summary judgment against her."

In the instant case, the Court of Appeals and the District Court both relied only on a *minute portion of the record* which the District Court specifically stated was sufficient for the decision on the issue of file wrapper estoppel. The District Court did not consider other portions of the record which were pertinent to the question of infringement [*infra*, Appendix B, p. 17 and R. 249], nor did the Court of Appeals consider such other portions of the moving party's record before it which would have created a genuine issue of material fact as to the question of infringement, basically a factual question as distinguished from the legal issue of file wrapper estoppel. *Wilson v. Barnum* (S. Ct.), 8 How. 258, 12 L. Ed. 1070.

Furthermore, Engelhard was denied the opportunity to point out such other portions of the record or from having the Court of Appeals consider additional portions of the record available to the District Court (but not included in the designated record in the Court of Appeals because of the limited issue of file wrapper estoppel) at such time as the Court of Appeals denied appellant's motion for rehearing. (Appendix C, App. p. 35, *infra*.)

The issue in the present case is, therefore, the same as the isue in the *Fountain v. Filson et al.* case, *supra*, that is, the Court of Appeals has denied petitioner its day in court as to the issue of infringement by refusing to consider the full record or in the alternative remand-

ing the case to the trial court for further proceedings on the infringement cause of action.

Stated another way, the Court of Appeals could not reach a proper determination as to a factual question of infringement or non-infringement, based on a portion of the record that the lower court specifically limited to the legal question of file wrapper estoppel.

II. The decision of the court below is in direct conflict with the leading analogous case of *Inglett and Company, Inc. v. Everglades Fertilizer Company, Inc.*, decided in the Court of Appeals for the Fifth Circuit on May 7, 1958, 255 F. 2d 342, 25 F. R. Serv. 56a.24, 117 USPQ 236. That Court stated two important rules to be followed in summary judgment proceedings upon which the court below has taken a contrary position:

(a) if the moving papers as such demonstrate a factual controversy a counter-affidavit (although prudent) is not essential, and;

(b) an advocate's affidavit in a summary judgment proceeding should not be considered as determinative unless it is solely a factual recitation.

See also *United States of America v. Patrick H. DeWitt et al.* (C. A. 5th, 1959), 265 F. 2d 393.

More specifically, the *Inglett* case, *supra*, and the present case both relate to a patent infringement action in which judgment was rendered for defendant under a summary judgment proceeding. Both cases involve papers submitted by the moving party including a single affidavit signed by counsel, which purports to set forth factual matters interrelated with legal conclusions; also, in both cases, the affidavit of counsel interprets

the doctrine of file wrapper, estoppel and infringement questions, and the ultimate issue turns on the meaning to be given a particular word or words.

In the instant case, the Court of Appeals considered only one admission [R. 22, No. 256] and one single affidavit of Research's attorney of record in the District Court [R. 249] in *sua sponte* reaching its conclusion on a new legal issue. The court below did not consider the answers to requests for admission Nos. 60, 61, 62, 63, 64, 65, 68, 69 and 86 [R. 22-R. 25 and R. 32] and answers to requests for admission Nos. 254, 255, 259 and 260 [R. 83-R. 86]. Yet, these sworn statements were a part of the record relied upon by *moving party* in its motion for summary judgment. [R. 90, item 2.]

In not considering such sworn statements raising a factual issue, the court below is in conflict with the *Inglett* decision, *supra*, of the Court of Appeals for the 5th Circuit, wherein that Court of Appeals stated:

> "Where by the nature of things, the moving papers themselves demonstrate that there is inherent in the problem a factual controversy then, while it is certainly the part of prudence for the advocate to file one, a categorical counter-affidavit is not essential. *Bruce Construction Corp. v. United States*, 5 Cir., 242 F. 2d 873; Whitaker v. Coleman, 5 Cir., 115 F. 2d 305."

Also, except for a single ambiguous answer to a request for admission, the summary judgment decision was based on the affidavit of Research's counsel

which as stated heretofore is in conflict with the Fifth Circuit Court of Appeals ruling in the *Inglett* decision, *supra*. In this regard, the Fifth Circuit stated:

> "But without impugning any improper professional motive to this obviously able counsel, we doubt that the disposition of patent cases is furthered by counsel being the personal vehicle by which the 'undisputed' facts are put before the Court. We consider it a tribute to the high calling of advocacy to say that we think it an unnatural, if not virtually impossible, task for counsel, in his own case, to drop his garments of advocacy and take on the somber garb of an objective fact-stater."

The *Inglett* case also points out very vividly the problem in the present case concerning the ambiguity of technical terms; *e.g.* does "electrolyte" mean bulk liquid electrolyte or vapor electrolyte or both, and does "cover" mean cover by creeping, cover by depositing, vertically cover, or envelope (request for rehearing, Appendix C, App. pp. 37, 38, *infra*.)

In the *Inglett* case, the court stated with respect to this question:

> "Involved in this comparative analysis of operations were such things as the technical meaning of descriptive terms used in the claims. For example, was the material coming out of the spout in Arcady 5-6 moving as a mere 'stream' or was it a succession of 'fast moving slugs'? When it is borne in mind that in the weird patenteese of the solicitor's jargon, Courts have all acknowledged that the 'patentee may be his own lexicographer and * * * his own grammarian', *Chicago Steel Foundry Company v. Burnside Steel Foundry Com-*

pany, 7 Cir., 132 F.2d 812, 814, 56 USPQ 283, 286, there is a threshold fact question about what was the meaning of such technical terms. The Judge might ultimately conclude that a 'slug' is a 'slug' and that there is no essential difference between a slow-moving stream and a fast-moving slug, but when he does so, he has made no deliverance on the law—he has fulfilled the ancient and essential function of fact-finding. Our predicament and that of the Judge below is not a new one for, 'Were we skilled in the art it might be simple to determine whether there was any "genuine issue" as to any material fact with respect to * * * anticipation * * * but we lack that special knowledge which would permit us to read the patents so understandingly * * *.' *Bridgeport Brass Co. v. Bostwick Laboratories*, 2 Cir., 181 F.2d 315, 319, 85 USPQ 89, 92."

See also *Engineering Development Laboratories v. Radio Corp. of America* (C. G. A. 2d, 1946), 153 F. 2d 523, 525.

Furthermore, the principles enunciated by the Court of Appeals in the Fifth Circuit are in accord with the decision of this court in the case of *United States v. Diebold, Inc.* (1962), 369 U. S. 654, 82 S. Ct. 993, 8 L. Ed. 2d 176, in which this court stated:

"The materials before the District Court having thus raised a genuine issue as to ultimate facts material to the rule of *International Shoe Co. v. Federal Trade Commission*, it was improper for the District Court to decide the applicability of the rule on a motion for summary judgment."

III. The decision of the court below in addition to being rendered *sua sponte* as set forth in Reason I, *supra*, page 7, was based upon meager evidence of a technical, ambiguous nature, and primarily of an interested counsel and thereby does not follow a long line of decisions of this court prevailing upon courts below to exercise caution in summary judgment proceedings.

Thus, as heretofore stated, the court below, in finding non-infringement, relied primarily upon the statement of facts and legal conclusions as set forth in the single affidavit of Research's attorney, Lawlor, and a single technically ambiguous answer to a request for admission.

This Court has consistently followed the position of viewing with caution evidence offered by an interested witness:

In the case of *Sartor v. Arkansas Natural Gas Corp.*, 321 U. S. 620, 64 S. Ct. 724, 88 L. Ed. 967, decided by this Court, it is stated that summary judgment only applies when:

> ". . . it is quite clear what the truth is, that no general issue remains for trial, and that the purpose of the rule is not to cut litigants off from their right of trial by jury if they really have issues to try."

In the case of *Poller v. Columbia Broadcasting System, Inc., et al.*, 368 U. S. 466, 82 S. Ct. 486 (1962), this Court reaffirmed the principle of the *Sartor* case, again questioning the propriety of summary judgment

where only affidavits of interested witnesses are produced, stating:

> "We look at the record on summary judgment in the light most favorable to Poller, the party opposing the motion . . ."

However, the Court below has not only viewed the record most favorably to the *moving party,* but it has also chosen to disregard that portion of the record in the moving party's papers [R. 90 It. 2] and favorable to Engelhard which would show *prima facie* a genuine issue of material fact [R. 22-25, R. 32, R. 83-86].

The *Sartor* case, *supra,* further states that when opinion evidence is involved, the matter should not be decided perfunctorily by summary judgment proceeding but rather submitted to a judge or jury.

The general cautionary approach suggested by this court and followed throughout its decisions is also set forth in the case of *Kennedy v. Silas Mason Co.,* 68 S. Ct. 1031, 334 U. S. 249, 92 L. Ed. 1347, in which this court stated:

> "But summary judgment procedures, however salutary, where issues are clear-cut and simple, present a treacherous record for deciding issues of far-flung importance, on which this Court should draw inferences with caution from complicated courses of legislation, contracting and practice."

IV. The court below has not followed the clear intent of Rule 61, FRCP (see Appendix A, App. p. 6, *infra*), such rule of procedure being in accordance with Title 28, U. S. C. 2111 (Appendix A, App. p. 1, *infra*) and in accord with case law enunciated by this court.

As stated hereinbefore, Engelhard, although submitting defective affidavits in opposition to the motion for summary judgment, subsequently submitted superceding affidavits conforming with the procedural requirements of Rule 56(e) at the time it requested a rehearing in the trial court. Technically, the trial court may not be under an obligation to consider untimely affidavits even though such affidavits may on their face correct defects previously present. However, in this instance, the affidavits clearly brought into focus issues of material fact *already present in the moving party's own papers.* Still, both the trial court and the court below refused to consider such untimely affidavits. These affidavits form a part of the present record. [R. 404, 416, 425.]

Rule 61 states:

> "The Court at every stage of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties."

Clearly, the trial court and the court below, considering the fact that the present matter is a summary judgment proceeding, should have disregarded Engelhard's error in submitting untimely affidavits and considered the newly submitted affidavits, particularly in the light of contradictory statements already of record in the moving party's papers and the newly issued patent.

This principle is clearly brought out in the case of *Whitaker v. Coleman,* 115 F. 2d 305 (C. C. A. 5th, 1940), 4 F. R. Serv. 56c.41, Case 1, in which the court stated with respect to a summary judgment proceeding:

> "It is quite clear that technical rulings have no place in this procedure and particularly that ex-

clusionary rules will not be applied to strike, on grounds of formal defects in the proffer, evidence proffered on tendered issues."

"For the offer of the transcript certainly apprised the Judge that there was relevant and important evidence which defendant appellant could and would tender on the trial and notwithstanding this, he was refused a continuance to get the evidence and the matter was pressed at once and erroneously, to summary judgment."

Furthermore, the District Court's refusal to review the untimely affidavits before entering judgment appears (as heretofore stated) to be an abuse of discretion since it already had notice of an issue of material fact from the papers of the moving party. [R. 90, Item 2, and p. 10, *supra.*]

Rule 56 of the Federal Rules of Civil Procedure makes it absolutely clear that affidavits are not required wherein it is stated at 56(c):

"The judgment sought shall be rendered forthwith if the pleadings, depositions, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law."

In the case of *Burley Irrigation District v. Ickes* (D. D. C. 1939), unreported affirmed (App. D. C. 1940) 116 F. 2d 529, cert. denied (1941) 312 U. S. 687, 61 S. Ct. 614, 85 L. Ed. 1124, it is stated in a trial matter that answers to requests for admissions may be used by the person making them. In the present case, there is an even stronger basis for using such

sworn testimony since in a summary judgment proceeding, the entire question is determined upon sworn statements rather than by oral testimony. Thus, although the *Burley* case may not be conclusive authority for the use of answers to requests for admissions upon a trial on the merits, it buttresses the sound proposition that in summary judgment proceedings without witnesses or oral testimony such sworn statements should be considered in resolving any doubt in favor of the opposer to the motion.

This Court, in the case of *Conley v. Gibson*, 78 S. Ct. 99, 355 U. S. 41, 2 L. Ed. 2d 80, stated:

> "The Federal rules reject the approach that pleading is a game of skill in which one misstep by counsel may be decisive to the outcome and accept the principle that the purpose of pleading is to facilitate a proper decision on the merits, *c.f. Maty v. Grasselli Chemical Co.*, 303 U.S. 197, 58 S. C. 507, 82 L.Ed. 745."

Conclusion.

For the foregoing reasons, this petition for a writ of certiorari should be granted.

Respectfully submitted,

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Dated: February 20, 1964.

APPENDIX A.

STATUTES.

28 U. S. C. 2072—Rules of Civil Procedure for District Courts.

The Supreme Court shall have the power to prescribe, by general rules, the forms of process, writs, pleadings and motions, and the practice and procedure of the district courts of the United States in civil actions.

Such rules shall not abridge, enlarge or modify any substantive right and shall preserve the right of trial by jury as at common law and as declared by the Seventh Amendment to the Constitution.

Such rules shall not take effect until they have been reported to Congress by the Chief Justice at or after the beginning of a regular session thereof but not later than the first day of May, and until the expiration of ninety days after they have been thus reported.

All laws in conflict with such rules shall be of no further force or effect after such rules have taken effect. Nothing in this title anything therein to the contrary notwithstanding, shall in any way limit, supersede, or repeal any such rules heretofore prescribed by the Supreme Court. As amended May 24, 1949, c. 139, § 103, 63 Stat. 104; July 18, 1949, c. 343, § 2, 63 Stat. 446; May 10, 1950, c. 174, § 2, 64 Stat. 158; July 7, 1958, Pub.L. 85-805, § 12(m), 72 Stat. 348.

28 U. S. C. 2111—Harmless Error.

On the hearing of any appeal or writ of certiorari in any case, the court shall give judgment after an examination of the record without regard to errors or defects which do not affect the substantial rights of the parties. Added May 24, 1949, c. 139, § 110, 63 Stat. 105.

RULES.

Rule 56. Summary Judgment.

(a) FOR CLAIMANT. A party seeking to recover upon a claim, counterclaim, or cross-claim or to obtain a declaratory judgment may, at any time after the expiration of 20 days from the commencement of the action or after service of a motion for summary judgment by the adverse party; move with or without supporting affidavits for a summary judgment in his favor upon all or any part thereof.

(b) FOR DEFENDING PARTY. A party against whom a claim, counterclaim, or cross-claim is asserted or a declaratory judgment is sought may, at any time, move with or without supporting affidavits for a summary judgment in his favor as to all or any part thereof.

(c) MOTION AND PROCEEDINGS THEREON. The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages.

(d) CASE NOT FULLY ADJUDICATED ON MOTION. If on motion under this rule judgment is not rendered upon the whole case or for all the relief

asked and a trial is necessary, the court at the hearing of the motion, by examining the pleadings and the evidence before it and by interrogating counsel, shall if practicable ascertain what material facts exist without substantial controversy and what material facts are actually and in good faith controverted. It shall thereupon make an order specifying the facts that appear without substantial controversy, including the extent to which the amount of damages or other relief is not in controversy, and directing such further proceedings in the action as are just. Upon the trial of the action the facts so specified shall be deemed established, and the trial shall be conducted accordingly.

(e) FORM OF AFFIDAVITS; FURTHER TESTIMONY; DEFENSE REQUIRED. Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein. Sworn or certified copies of all papers or parts thereof referred to in an affidavit shall be attached thereto or served therewith. The court may permit affidavits to be supplemented or opposed by depositions, *answers to interrogatories*, or further affidavits. *When a motion for summary judgment is made and supported as provided in this rule, an adverse party may not rest upon the mere allegations or denials of his pleading, but his response, by affidavits or as otherwise provided in this rule, must set forth specific facts showing that there is a genuine issue for trial. If he does not so respond, summary judgment, if appropriate, shall be entered against him.*

(f) WHEN AFFIDAVITS ARE UNAVAILABLE. Should it appear from the affidavits of a party opposing the motion that he cannot for reasons stated present by affidavit facts essential to justify his opposition, the court may refuse the application for judgment or may order a continuance to permit affidavits to be obtained or depositions to be taken or discovery to be had or may make such other order as is just.

(g) AFFIDAVITS MADE IN BAD FAITH. Should it appear to the satisfaction of the court at any time that any of the affidavits presented pursuant to this rule are presented in bad faith or solely for the purpose of delay, the court shall forthwith order the party employing them to pay to the other party the amount of the reasonable expenses which the filing of the affidavits caused him to incur, including reasonable attorney's fees, and any offending party or attorney may be adjudged guilty of contempt.

(As amended Dec. 27, 1946, eff. Mar. 19, 1948; Jan. 21, 1963, eff. July 1, 1963.)

Rule 36, Federal Rules of Civil Procedure.

ADMISSION OF FACTS AND OF GENUINENESS OF DOCUMENTS

(a) REQUEST FOR ADMISSION. After commencement of an action, a party may serve upon any other party a written request for the admission by the latter of the genuineness of any relevant documents described in and exhibited with the request or of the truth of any relevant matters of fact set forth in the request. If a plaintiff desires to serve a request within 10 days after commencement of the action leave of the court,

granted with or without notice, must be obtained. Copies of the documents shall be served with the request unless copies have already been furnished. Each of the matters of which an admission is requested shall be deemed admitted unless, within a period designated in the request, not less than 10 days after service thereof or within such shorter or longer time as the court may allow on motion and notice, the party to whom the request is directed serves upon the party requesting the admission either (1) a sworn statement denying specifically the matters of which an admission is requested or setting forth in detail the reasons why he cannot truthfully admit or deny those matters or (2) written objections on the ground that some or all of the requested admissions are privileged or irrelevant or that the request is otherwise improper in whole or in part, together with a notice of hearing the objections at the earliest practicable time. If written objections to a part of the request are made, the remainder of the request shall be answered within the period designated in the request. A denial shall fairly meet the substance of the requested admission, and when good faith requires that a party deny only a part or a qualification of a matter of which an admission is requested, he shall specify so much of it as is true and deny only the remainder. As amended Dec. 27, 1946, eff. March 19, 1948.

(b) EFFECT OF ADMISSION. Any admission made by a party pursuant to such request is for the purpose of the pending action only and neither constitutes an admission by him for any other purpose nor may be used against him in any other proceeding.

Rule 61, Federal Rules of Civil Procedure.

HARMLESS ERROR

No error in either the admission or the exclusion of evidence and no error or defect in any ruling or order or in anything done or omitted by the court or by any of the parties is ground for granting a new trial or for setting aside a verdict or for vacating, modifying or otherwise disturbing a judgment or order, unless refusal to take such action appears to the court inconsistent with substantial justice. The court at every state of the proceeding must disregard any error or defect in the proceeding which does not affect the substantial rights of the parties.

APPENDIX B.

Memorandum Opinion of United States District Court, Southern District of California (Central Division).

Engelhard Industries, Inc. v. Research Instrument Corporation et al. No. 370-59-PH Decided July 24, 1961.

Hall, District Judge.

Plaintiff's complaint seeks relief on two grounds. The first for patent infringement of U. S. Patent No. 2,805,191 issued on September 3, 1957, the application for which was filed October 4, 1954, and which concerns, in some claims, a method, and in others, an apparatus for the oxygen analysis of gases and measuring it in minute quantities; the second for unfair competition.

With defendants' answer, they filed a counterclaim alleging violation of the anti-trust laws by the plaintiff, and the resultant damage to the defendants. The counterclaim has since been dismissed.

Discovery has proceeded actively and vigorously[1] so that in addition to a great number of depositions, there have been interrogatories and requests for admissions which run into the hundreds, to say nothing of the copious briefs and statements of counsel.

The matter is presently before the Court on a motion by the defendants for summary judgment on the grounds that the pleadings, admissions, the patent in suit, and its file wrapper will show file wrapper estoppel as to infringement; that the patent, if valid, is uninfringed; that the patent is invalid; and that the plaintiff has no cause of action for unfair competition.

To support such motion, it must, of course, appear that there is no genuine issue as to any material fact concerned, and that defendants are entitled to judgment as a matter of law. F.R.Civ.P. 56(c), 28 U.S.C.A.

FILE WRAPPER ESTOPPEL

The claims of the patent in suit are Numbers 1, 7, 10, 11, 12, 14, 15, 16 and 17.

The matter of file wrapper estoppel is an equitable defense. Aldridge v. General Motors Corp., 178 F. Supp. 839, 124 USPQ 253, and cases there cited. When raised, it should be disposed of before the other issues are tried. Moon v. Cabot Shops, Inc., 270 F.2d 539, 545, 123 USPQ 60, 64.

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[1]The briefs and arguments of one of counsel have been replete with acrimony and invectives. I do not wish to be understood as telling any lawyer how he should try his case or what or how he should say what he has to present. But I am sure if counsel knew how distracting such things are when a Judge is trying to follow counsel's reasoning, or analyze his points in a complicated matter, there would be less of it.

Despite the hundreds of interrogatories, requests for admissions, numerous depositions and the charges and counter-charges which have been contained in the objections to the interrogatories. requests and depositions, and despite the apparent complexity of the pleadings the device involved is a comparatively, simple one, as is frequently the case. It has all of the elements of a common battery used in an automobile, refined, however, to do the particular job of determining the presence of oxygen in gases and measuring it electrically in minute quantities.

Both plaintiff's patent and defendants' device disclose an enclosed area with an electrolyte (electrical conductor), liquid or aqueous in form, an anode (positive pole) completely immersed in the electrolyte, and a cathode (negative pole) only partly immersed in the electrolyte.

The dispute ultimately turns upon the simple question as to whether or not in the claims in suit the portion of the cathode not immersed in the electrolyte must be constructed of an imporous material and in such a fashion as to prevent the electrolyte from "creeping" up the exposed portion of the cathode so as to keep the exposed portion of the cathode free from and not covered by a film of electrolyte, and whether or not defendants' device is so constructed.

A certified copy of the Patent Office file wrapper is before the Court by agreement of the parties, and there is no genuine issue as to its contents.

The defendants' device was before the Court. The affidavit of Reed C. Lawlor described the cathode in defendants' device as consisting of eight members partly

immersed in the electrolyte, each of which is composed of folded wire mesh screen portions forming eight double screens, and is so constructed that by means of capillary attraction, the electrolyte creeps up said portions of each of said eight cathode members extending above the liquid level of the electrolyte in the pool of electrolyte in defendants' device, so as to *cause a film of electrolyte to cover defendants' cathode.*

While the plaintiff has stated that there is a genuine issue as to the construction of defendants' device and its operation, that is merely a conclusion, and there is no counter-affidavit as to the method of construction or function of defendants' device. Hence, the Court must accept the description of defendants' device, together with viewing the object itself, as being true. There is thus no genuine issue as to the construction or operation of defendants' device. Radio City Music Hall Corp. v. United States, 135 F.2d 715; Engl v. Aetna Life, etc., 139 F.2d 469; Piantadosi v. Lowe's, Inc., 137 F.2d 534, 535, 59 USPQ 174, 175; Gifford v. Travelers Protective Ass'n, 153 F. 2d 209; Duarte v. Bank of Hawaii, 287 F.2d 51.

The affidavit of Bryan that the patentee Hersch "made an unequivocal statement in his presence," to the effect that he considered the oxygen analyzer manufactured by the defendants to be "an infringement" of the patent in suit, raises no genuine issue as to a material fact on the question of file wrapper estoppel, as it is hearsay, and at best, an expression of opinion by Hersch, and an opinion is not a fact. The affidavit of Cohn, an expert, that in his "opinion the oxygen analyzer manufactured by defendants is an infringement" of the patent in suit reaches no fact and creates no genuine issue.

This is particularly so as to the opinions of both Hersch and Cohn because the plaintiff has one of defendants' devices and has operated it (Admissions No. 253 and 263), and had plaintiff desired to, it could have pointed out by affidavit the precise construction and operation of defendants' device which may, or may not, have raised a genuine issue.

Moreover, by Admissions No. 256 and 257, plaintiff admits that defendants' device uses a wire screen cathode and that the oxygen contacting the cathode has diffused through the electrolyte to the cathode. The latter is another way of saying that defendants' immersed portion of the cathode is *not "free"* of contact with the electrolyte, as set forth in each of the claims in suit.

The file wrapper discloses that the original application contained 33 claims—19 method claims, 13 apparatus claims, and one mixed claim.

The specifications mentioned that the cathode "may take the form of a solid metal element such as sheet, wire, etc., or it may be in the form of gauze, the elements of which are solid silver strands." (Col. 3, l. 35) and that the "inner surface of cathode" might be "bright silver gauze." (Col. 7, l. 45).

The claims were all very broad and covered an "imporous" cathode (e. g., claim 10, page 25 of file wrapper), as well as "a porous carrier material interposed between and in contact with an inert cathode and a metallic anode." (e. g., claim 13, page 26 of file wrapper); "a porous carrier material adopted to be permeated with an aqueous electrolyte and interposed between and in contact with said cathode and said anode." (e. g., claim 25, page 30 of file wrapper; see also claim

26). They were thus broad enough to cover both a cathode, the exposed portion of which was imporous and free from the electrolyte, as well as a screen or porous material between the cathode and the anode which could be permeated with, or covered by, a film of the electrolyte.

The first Patent Office action, on May 9, 1955, disallowed some claims and required restrictions as to others. Amendments were thereupon filed, which, in turn, were followed by the Patent Office rejecting all of the claims on June 22, 1955, and stating "since claims 9, 10, and 22 recite an imporous cathode, these must necessarily read only on Figure 1, the wire being considered porous in the broad sense."

Thereafter, further amendment was filed on December 17, 1956, replacing all of the previous claims with twelve new, method claims, and six new, apparatus claims. All of these claims were rejected as final on February 6, 1957.

Again the applicant, on February 19, 1957, filed eleven new, method claims, and five new, apparatus claims, and "replaced," i. e., cancelled or abandoned his previous claims. And after further amendment on June 27, 1957, they were allowed and became claims 1 through 17 of the patent as issued on September 3, 1957.

Of the claims in suit, claims 1, 7, 10, 11 and 17 are method claims, and claims 12, 14, 15 and 16 are apparatus claims.

The specifications set forth in the original application for the patent remain and became the specifications in the issued patent. As noted, however, the claims went

through a considerable history of change, and it is in connection with these changes and statements made by the applicant to the Patent Office to secure the claims as finally allowed, that the defendants contend the plaintiff is estopped from claiming infringement by defendants' device.

If this is so, the defendants are entitled to judgment as a matter of law. D. & H. Electric Co. v. M. Stephens Mfg. Co., 233 F. 2d 879, 110 USPQ 469, and cases there cited.

While the plaintiff, in the specifications for the patent, stated that "the cathode may take the form of a solid metal element such as sheet, wire, etc., or it may be in the *form of gauze, the elements of which are solid strands,*" nevertheless, it is the contention of the defendants that by the cancellation and abandonment of the original claims and by the limitations thereafter placed upon the claims finally allowed, as disclosed by the file wrapper, patentee limited his claims so as not to include a gauze or screen or porous material either as a cathode or as connecting the cathode and the anode in the device, or in its operation, and limited the claims to a cathode of "imporous" material with a portion "free" of contact with the electrolyte.

In this connection, plaintiff calls attention to page 47 of the file wrapper, in a document filed after the rejection of the first set of claims, wherein it is stated that: "It *is an essential* feature of the present invention that a substantial portion of the surface of the cathode be free of any contact with electrolyte in order that *oxygen molecules contained in gas passing over the cathode impinge on the exposed cathode surface directly*

from the gaseous phase without prior dissolution in the electrolyte." (Italics by claimant in file wrapper).

And again, on the same page: "Moreover, the cathodes employed in accordance with the principles of the present invention should be imporous, i. e., devoid of pores, *to prevent creeping of the electrolyte on or along the exposed cathode surface such that a film of electrolyte would subsequently completely envelope the cathode.* Observance of this feature advantageously assists in *preventing* the occurrence of an *electrolyte film* completely about the cathode surface, and insures the attainment of high sensitivity and drift-free operation, particularly at low oxygen concentrations." (Italics supplied).

And on page 54: "Furthermore, *it is essential in accordance with applicant's principles and concepts, for* reasons set forth hereinabove, *that a substantial portion of the surface area of a cathode emerge from and be completely free of electrolyte.*" (Italics by claimant in file wrapper).

And on page 55, that plaintiff's embodiment embraces "the utilization of stagnant or substantially stagnant electrolytes to prevent *the creeping thereof along the* exposed cathode surface." (Italics supplied).

Defendants make further reference to the Patent Office Examiner's conclusion of June 22, 1956, in denying all the amended claims (page 65 of the file wrapper), that "Since claims 9, 10 and 22 recite an imporous cathode, they must necessarily read only on figure 1, the wire gauze being considered porous in the broad sense."

It is to be noted that all of the claims in the present patent, except claim 10, state specifically that the metal

cathode is to be "imporous," and that the un-imersed portion be "free" of contact with the electrolyte.

Plaintiff asserts (page 74 of the file wrapper), in referring to the best method of carrying out his invention, that "there is a complete description that the cathode is comprised of silver gauze," and on pages 75 and 76, of the file wrapper states: "The sheets, in turn, were clad with the silver gauze cathode." But this was prior to the cancellation of all of those claims by the Patent Office on February 6, 1957, and to the abandonment of those and his previous claims, and the filing of new ones, claiming an "imporous" cathode "free" of the electrolyte, on February 19, 1957, which were finally allowed in the patent.

In re-submitting the claims which were finally allowed (page 96 of the file wrapper), plaintiff's counsel, in support of those claims stated: "For example, each of the new apparatus claims require structural feature of a substantial portion of the cathode employed in accordance with applicant's invention be *free of contact with the electrolyte and that a substantial area of the cathode is exposed to an oxygen-containing gas.*" (Italics by claimant in file wrapper).

It is also noted (page 100 of the file wrapper) that applicant in furtherance of his efforts to secure the finally allowed claims, made the following statements:

> "It is likewise to be noted that applicant's requirements are just the *opposite* of those of Haller. Thus, applicant requires a *stagnant* electrolyte whereas Haller requires an electrolyte which 'bleeds *through* the porous tubular section.' Applicant must maintain a *partially submerged* area on the cathode whereas Haller must maintain a *film* of

solution on his porous section *completely* submerging his electrode. In lines 42 to 45 of column 2, Haller states that:

"'a film of solution is at all times maintained on the outside of the porous section in contact with the platinum electrode.'

"In lines 45 to 48 of column 2, Haller also states that:

"'When the gas mixture comes into contact with the *film* of electrolyte, the oxidizing or reducing gas dissolves reversibly therein * * *.'

Furthermore, Haller states in the passage beginning witn lines 54 and 55 of column 2 and ending at line 5 of column 3 that:

"'if the rate of flow of solution through the porous tube is insufficient to maintain the external solution *film*, the electrode may be externally washed with water or a suitable solution at a low rate sufficient only to maintain the solution *film* and avoid crystallization.'

"Applicant's anode must be attacked by his electrolyte in the presence of *uncombined* oxygen whereas Haller's electrodes must *not* be attacked. Thus, Haller specifies in lines 15 and 16 of column 3 that:

"'It is only necessary that the electrolyte does chemically attack either of the electrodes * * *.'"

(Italics by claimant in file wrapper).

The question to be resolved then is whether or not the statements by the patentee in the specifications that the cathode may be a form of gauze is sufficient to permit his allowed claims to cover the gauge or wire screen admittedly used by defendants as a cathode.

In view of the repeated statements by the patentee throughout the file wrapper, as above noted, that his invention conceived that the unimmersed sections of the cathode should be free from creeping of the electrolyte so as to prevent the forming of a film of the electrolyte on it, and in view of the construction and operation of defendants' devices as above noted, I can see no other conclusion to be reached than the plaintiff is estopped to now assert that his claims cover the very thing which he so emphatically asserted to the Patent Office was not desired and was not claimed in his invention, and that there is no genuine issue of any material fact supporting such estoppel.

While claim 10 of the patent did not claim an "imporous" cathode, it did claim that a portion of it must be "free of contact" with the electrolyte. Thus the estoppel applied against the other claims must equally apply to it. Particularly so, in view of the assertion hereinabove quoted from the file wrapper. The unimmersed portion of the cathode cannot be "free of contact" with the electrolyte if it is covered with a film of the electrolyte creeping up the cathode from the main body of the electrolytic fluid.

In arriving at the foregoing conclusion, the Court has taken into consideration only the pleadings; the patent in suit; its file wrapper; the defendants' device, auto-optically; plaintiff's admissions numbered 253, 256, 257, 263; the affidavits of Lawlor, Bryan and Cohn; and the numerous statements, arguments and briefs of counsel. All of the other ponderous matter submitted by the parties is irrelevant and immaterial on the issue of file wrapper estoppel.

OTHER GROUNDS OF INFRINGEMENT

In view of the fact that plaintiff could only recover if there is infringement by defendants, and that the plaintiff is estopped from claiming infringement by the defendants in this case, the issue as to validity of the patent becomes moot, and upon presentation of a formal judgment, that claim will be dismissed.

UNFAIR COMPETITION

In The American Security Co. v. Shatterproof Glass Corp., 166 F.Supp. 813, 118 USPQ 526 and 119 USPQ 49, affirmed 268 F.2d 769, 122 USPQ 167 certiorari denied 361 U.S. 902, 123 USPQ 589, rehearing denied 361 U.S. 973, the court granted summary judgment on the infringement claims and on the pendent unfair competition claims. And in connection with the latter said, at page 826 of 166 F.Supp., 119 USPQ at 53:

> "Since it has been adjudged that plaintiff cannot enforce its patents against [the] defendant, it is clear that defendant's alleged deception constituted no actionable wrong. Unless plaintiff was legally entitled to enforce its patents against the defendant[s], defendant's alleged guile in inducing plaintiff to forbear action constituted no invasion of any rights possessed by plaintiff."

The portion of the Trial Court's opinion dealing with the dismissal of the unfair competition claims in that action was adopted by the Third Circuit Court of Appeals—268 F.2d 769, at page 779, 122 USPQ at 175.

In the instant suit, plaintiff cannot enforce its patent against defendants, and hence plaintiff has no actionable wrong for the alleged unfair competition.

On that basis, and no other, defendants are entitled to a judgment of dismissal as to plaintiff's claims of unfair competition.

In view of the foregoing conclusions, the proposed Findings of Fact and Conclusions of Law submitted by the defendants are inapposite.

The within Memorandum will serve as Findings of Fact and Conclusions of Law, but not as judgment. A formal judgment will be prepared and submitted for signature by defendants' counsel under the Rules.

Opinion of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

Engelhard Industries, Inc., Appellant, vs. Research Instrumental Corporation, Appellee. No. 17,848 Oct. 28, 1963.

Appeal from the United States District Court for the Southern District of California Central Division.

Before: Hamley and Koelsch, Circuit Judges, and MacBride, District Judge.

Koelsch, Circuit Judge.

By its complaint, Engelhard Industries, Inc. (Engelhard) charged Research Instrumental Corp. (Research) with infringement of U. S. Letters Patent No. 2,805,191, and with unfair competition. The patent was issued on September 3, 1957 to Engelhard's assignor Hersch and is entitled "Oxygen Analysis of Gases." In the complaint Engelhard alleged that Research had infringed "the patent" by manufacturing and selling oxygen analyzers that embodied the invention of the patent; Engelhard further alleged that Research had unfairly competed by misappropriating, prior to the date the patent issued, confidential information relative to a working model of its analyzer.

After extensive discovery proceedings, Research moved for summary judgment in its favor. In a supporting memorandum it advanced the following reasons why summary judgment should be entered: The patent is invalid, file wrapper estoppel, the patent is not infringed, and the acts of Research do not constitute unfair competition. As to all of these grounds, Research

asserted that there was no genuine issue as to any material fact.

Resisting the motion Engelhard filed two affidavits, together with a statement purporting to list genuine issues of material fact. The trial court opined (196 F. Supp. 138) that Research was not guilty of either infringement of unfair competition and accordingly did not pass on the question of validity.

Engelhard then sought a rehearing. The petition was denied and judgment was entered against Engelhard, who appealed to this court.

The Hersch patent defines a method and an apparatus for detecting electro-chemically the presence of oxygen, particularly minute or trace quantities, in other gases. The apparatus includes in combination the constituent elements of the ordinary automobile storage battery or galvanic cell—that is, a container or case, two electrodes (one a negative pole or cathode, and the other a positive pole or anode), and a liquid electrolyte.[1] It operates on the well-known principle that oxygen coming into contact with the cathode and the liquid electrolyte in a galvanic cell sets up a chemical reaction which causes the production of ions: the ions flow toward the

[1]Claim 12, representative of the apparatus claims, reads in pertinent part as follows: "An apparatus . . . comprising, in combination, a container having inlet and outlet means to accommodate the continuous flow of a stream of gas containing uncombined oxygen, a cathode of imporous precious metal having an area free of an aqueous electrolyte and having an area partially submerged in said aqueous electrolyte maintained substantially stagnant thereon, said free area and said partially submerged area being exposed to said stream of gas whereby a three-phase boundary is formed when said stream of gas is passed through the apparatus, ... base metal anode . . . in contact with said aqueous electroyte . . . [and] an external electrical connection other than said electrolyte completing a circuit between said anode and said cathode. . . ."

anode to produce an electric current. This current varies with the rate of absorption of the oxygen into the cell, which in turn is a function of the amount of oxygen coming into contact with the cathode. The current can be registered by a galvanometer or other measuring device.

The alleged novelty of the Hersch patent lies in the cathode. In the first of two embodiments of the invention depicted in the patent the cathode appears as a solid piece of metal; it is so suspended that a portion rests in the pool or reservoir of electrolyte in the cell. In the second embodiment the cathode is tubular and composed of metal gauze; it is positioned above the reservoir but encircles a wick that extends into the liquid.

The cathode of the accused analyzer is composed of eight pieces of fine wire screen folded in half. These double screen sections are partially immersed in the reservoir. And due to their construction the electrolyte, by means of capillary action, creeps up between the folds.

The claims in the Hersch patent are broad enough to cover a cathode composed of screen, for their only limition is that the cathode must be of "imporous metal." And the statement in the patent specifications that "the cathode may take the form of a solid metal element such as sheet, wire, etc., or it may be in the form of gauze, the elements of which are solid strands," would seem to expressly show the patent monopoly extends to the use of screen.

Nevertheless, the district court, believing the doctrine of file wrapper estoppel applicable, held that Engelhard could not assert that its patent covered the screen cathode used in the accused analyzer.[2] Its holding was

[2]It is well settled that "when a patentee, on the rejection of his application, inserts in his specification, in consequence, limi-

based on the motion that Engelhard represented that his invention consisted of a method and apparatus in which electrolyte did not rise above the level of the reservoir and onto the unimmersed portion of the cathode.

We are unable to agree. It appears that when the patent application was filed the patent examiner rejected claims on several grounds, one being that they did not define over the prior art, particularly the patent granted to one Haller. (U. S. Letters Patent No. 2,651,612). He tentatively determined that no generic claim was allowable, that each of the two embodiments of the invention appearing in the drawings constituted a separate specie of an oxygen analyzer; and he required Hersch to elect between claims specific to one or the other of those species.[3]

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tations and restrictions for the purpose of obtaining his patent, he cannot, after he has obtained it, claim that it shall be construed as it would have been construed if such limitations and restrictions were not contained in it." Roemer v. Peddie, 132 U.S. 313, 317 (1889).

[3]A patent may stand at the head of its genus or it may stand only at the head of a species of its genus. If the invention is of the former type a generic claim as well as claims directed to a number of species under the genus may all be included in one patent. But, if the genus appears in the prior art, only the species claims may be patentable, and since two or more independent inventions cannot be claimed in one application, the applicant must elect that species to which his claims shall be restricted.

"It is a proper practice to make a generic claim and also a specific claim, in an application for a patent on a generic invention, even where only one species is described in the specification. . . .

In such a case, if the inventor's understanding that his invention is primary, turns out to be true, both claims will be valid. But if some invention is afterward discovered in the prior art, which relegates the patent to a secondary place, the specific claim may stand and be valid; though the generic claim is too broad to be maintained." Walker, Patents 780 (Deller edition 1937); see generally *id.* at 1277.

The procedure followed by the examiner in determining that an election of species was required is outlined in Rule 146, Rules of Practice of the U. S. Patent Office, which provides:

In response, Hersch amended his application. He revised some of the claims to meet the examiner's general objections; he retained his generic claims, as he was permitted to do, and he expressly elected to prosecute the specie exemplified by the wire gauze cathode, selecting accordingly certain of the claims which he believed read on the elected specie. However, the examiner ruled that, since the latter claims as then worded spoke of the cathode as "imporous," they described the first rather than the second specie because "wire gauze . . . [is considered] porous in the broad sense."

If at this stage of the application Hersch had acquiesced in the examiner's definition of the phrase "imporous cathode" and if he had continued to employ that phrase in subsequent amendments of his application he would, in effect, have withdrawn his election of the second specie and substituted for it an election of the first; and any generic claims would have been likewise limited to a method and apparatus employing an imporous cathode as opposed to one of screen or gauze. *Roemer v. Peddie*, 132 U.S. 313 (1889).

But Hersch did not let the matter lie. Following the examiner's ruling Hersch again amended his application. In an effort to conform his claims to the elected specie he replaced all of the old claims with new ones. The old claims had called for an "imporous cathode" but the new ones, both specific and generic, referred to and de-

"146. Election of species. In the first action on an application containing a generic claim and claims restricted separately to each of more than one species embraced thereby, the examiner, if of the opinion after a complete search on the generic claims that no generic claim present is allowable, shall require the applicant in his response to that action to elect that species of his invention to which his claims shall be restricted if no generic claim is finally held allowable."

scribed it as a "cathode of imporous metal." After the language had been thus broadened, the examiner made no further objection that the claims did not comport with the election; he thereafter approved the application and the patent issued with this wording.[4]

Nor do any of the representations Hersch made, either in themselves or considered with the amendments, justify the placing of a limitation upon the patent claims.

The essential feature of the Hersch patent is the maintenance of a cathode so designed and so positioned in the cell as to establish between the electrolyte and the cathode a line of contact that enables the gas being tested to unite with them simultaneously at the same point, referred to as the "three-phase boundary." This method permits the oxygen molecules to be ionized without first having to diffuse through the electrolyte, as would be required if the cathode were completely submerged in or covered by a film of the electrolyte. As a result, Hersch stated, his analyzer is more sensitive and less sluggish in operation than those in which electrolyte covers the cathode. During the prosecution of the patent application, Hersch emphasized and re-emphasized that, in order to create this "three-phase boundary," his cathode was designed and operated so as to prevent electrolyte from creeping upon its unimmersed portion, and he iterated and reiterated that in this respect his cathode differed materially from Haller's, which was completely covered with a film of electrolyte. He stated, for example, that his cathode was "devoid of pores, to prevent creeping of the electrolyte on or along the exposed cathode surface such that a film of electrolyte

[4]Hersch did amend again, but only to meet objections of indefiniteness, etc.

would subsequently completely envelop the cathode," and that his invention embraced ". . . the utilization of stagnant or substantially stagnant electrolytes to prevent the creeping thereof along the exposed cathode surface."

Hersch never did say that all of the unimmersed portion of his cathode was completely free of electrolyte or that there was no creep whatever above the liquid level of the reservoir. Rather, he carefully explained that the creep did not "completely" envelop the cathode, and he prefaced his statement that the electrolyte must be stagnant with other statements that showed the phrase "exposed cathode surface" meant not "the unimmersed portion of the cathode," but "the area of the cathode free of electrolyte."

Our conclusion that there is no estoppel does not necessarily require a reversal of the judgment. A patent for a method or process claim is not infringed unless all of the steps or stages of the process are used [*Royer v. Coupe*, 146 U.S. 524 (1892); *Goodyear Dental Vulcanite Co. v. Davis*, 102 U.S. 222 (1880)], and a patent for an apparatus is not infringed unless the accused device is a copy of the claimed apparatus "either without variation, or with such variations as are consistent with its being in substance the same thing." *Sanitary Refrigerator Co. v. Winters*, 280 U.S. 30, 42 (1929), quoting from, *Burr v. Duryee*, 68 U.S. (1 Wall.) 531, 573 (1863).

It has already been noted that an essential feature of the Hersch patent, evidenced in the claims, is a so-called "free area" on the cathode. The court was entitled to conclude, from the materials before it on the hearing of the motion for summary judgment, that the accused ana-

lyzer did not incorporate this distinctive feature of the invention. Such was the contention of Research; and in support it submitted the affidavit of one Lawlor, a physicist, who stated that the cathode in its analyzer was so designed that a film of electrolyte completely covered it. Engelhard did file two opposing affidavits, but the court was obliged to disregard them for they contained only hearsay and legal conclusions [*Gifford v. Travelers Protective Ass'n*, 153 F. 2d 209, 211 (9th Cir. 1946); See 6 Moore, Federal Practice 56.22, at page 2327-28 (1953)]; and there was nothing else in the record to counter the showing made by Research.

On this appeal Engelhard has repeatedly referred to four other affidavits, asserting that they clearly show the existence of material issues of fact, thus manifesting the error of the trial court in rendering summary judgment. The difficulty with this argument is that these affidavits were not filed at or before the time fixed for the hearing on the motion for summary judgment, as required by Fed. R. Civ. P. 56(c). They were tendered after that matter had been decided, with Engelhard's petition for rehearing, and were rejected. Since the petition was addressed to the discretion of the trial court [*Geo. P. Converse & Co. v. Polaroid Corp.*, 242 F. 2d 116 (1st Cir. 1957)], Engelhard was obliged to show not only that this evidence was newly discovered or unknown to it until after the hearing, but also that it could not with reasonable diligence have discovered and produced such evidence at the hearing. But Engelhard made no showing of any kind. Indeed from our examination of three of the four affidavits (the other was not made part of the record on appeal) it clearly appears that whatever facts they contain were readily available to and were known by Engel-

hard well in advance of the hearing.[5] In sum, we conclude that the district court did not err in granting summary judgment with respect to Engelhard's claims based on infringement.

The District Court concluded that the claim of unfair competition should be dismissed on the sole ground that "In the instant suit, plaintiff cannot enforce its patent against defendants, and hence plaintiff has no actionable wrong for the alleged unfair competition."

Again we must disagree. "The general rule, of course, is that the monopoly of a patent which entitles a patentee to damages for infringement commences only when the patent is granted; but where, in advance of the granting of a patent, an invention is disclosed to one who, in breach of the confidence thus reposed, manufacturers and sells articles embodying the invention, such

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[5]Engelhard also urged, as "new evidence," the file wrapper history of a patent for an oxygen analyzer (U.S. Letters Patent No. 2,902,170) issued to Research just a few days before the hearing on the motion for summary judgment. Engelhard asserted that the file wrapper contains admissions against interest; and specifically it stated that one such admission was: "while capillary attraction is present to some extent in the Hersch cell, as mentioned by the Examiner, only part of Hersch's cathode is submerged with electrolyte."

We fail to see how that statement is damaging to Research's position. Considered in conjunction with the fact that the cathode of the accused analyzer is completely wetted with electrolyte the statement only points up how that cathode differs from the cathode of the Hersch invention. We assume that Engelhard would put forth its best example of an admission. Nevertheless we have examined the entire file wrapper of the patent; without laboring the point further, it will suffice to say that we can find no statements in it which are against interest.

The remaining ground for rehearing was that file wrapper estoppel was not "raised" as an issue until the final day of the hearing on the motion for summary judgment. Engelhard is mistaken on this point. Research had pleaded the doctrine as an affirmative defense and its brief, served on counsel for Engelhard prior to the hearing, is replete with assertions regarding this subject.

person should be held liable for the profits and damages resulting therefrom, not under the patent statutes, but upon the principle that equity will not permit one to unjustly enrich himself at the expense of another." *Hoeltke v. C. M. Kemp Mfg. Co.*, 80 F. 2d 912, 922 (4th Cir. 1936), cert. denied, 298 U.S. 673, approved and followed by this Circuit in *Filtex Corp. v. Atiyeh*, 216 F. 2d 443 (9th Cir. 1954). And a claim for unfair competition continues to exist even though the trade secrets are thereafter disclosed in a patent which proves to be invalid or unenforcible. *Conmar Prods. Corp. v. Universal Slide Fastener Co.*, 172 F. 2d 150 (2d Cir. 1949). The law of California, which concededly governs us here, accords with the general rule in allowing damages for the wrongful appropriation of secret information. *Aetna Bldg. Maintenance Co. v. West*, 39 Cal. 2d 198, 246 P. 2d 11 (1952); *Sarkes Tarzian, Inc. v. Audio Devices, Inc.*, 166 F. Supp. 250 (S. D. Calif. 1958), aff'd per curiam, 283 F. 2d 695 (9th Cir. 1960), cert. denied, 365 U.S. 869 (1961).

Research argues that all of the information was disclosed in the Hersch patent, and that it was not until two months after the patent issued and the information was thus published that the accused analyzer was "built."

What the information was does not appear either in the pleadings or the record but, without deciding the matter, we shall assume for purposes of our discussion that, as Research argues, the information was connected with the process or means claimed in the patent; otherwise the issue of unfair competition would not be a related claim as required by 28 U.S.C. § 1338(b) and the District Court had no pendent jurisdiction. *Hurn v.*

Oursler, 289 U.S. 238, 245-47 (1933); *Schreyer v. Casco Prods. Corp.*, 190 F.2d 921 (2d Cir. 1951), cert. denied, 342 U.S. 913 (1942); *Darsyn Laboratories, Inc. v. Lenox Laboratories*, 120 F. Supp. 42, 53-54 (D. N.J., 1954), aff'd per curiam, 217 F. 2d 648 (3d Cir. 1954), cert. denied, 349 U.S. 921 (1955).

Nevertheless, simply because the accused analyzer was not *built* until after the time the information was released to the public domain does not mean that the trade secrets were not wrongfully *used* before that time. In fact Research recognizes that the unfair competition count is based "on the charge that appellee used the same information set forth in the claims in the patent in suit during a period prior the issuance of the patent." These allegations, not having been pierced by affidavits or otherwise, are sufficient to create a genuine issue of fact. Engelhard alleged that by having the information Research was enabled to build and market its analyzer substantially sooner than if without it. Such use would give rise to a claim for damages based upon the profits resulting from the acceleration of the date when production was possible. *Schreyer v. Casco Prods. Corp.*, 190 F. 2d 921 (2d Cir. 1951), cert. denied, 342 U.S. 913 (1942).

Of course there are situations where even separate causes of action are so intertwined that resolution of one settles the other. *American Security Co. v. Shatterproof Glass Corp.*, 166 F. Supp. 813 (D. Del. 1958), aff'd, 268 F. 2d 769 (3d Cir. 1959) cert. denied, 361 U.S. 902, relied upon by the lower court in reaching its

conclusion, was such a case. But there the essence of the unfair competition charge was that the defendant had wrongfully induced the plaintiff not to sue on his patents and, as the court stated, "unless plaintiff was legally entitled to enforce its patents against the defendant, defendant's alleged guile in inducing plaintiff to forbear action constituted no invasion of any right possessed by plaintiff." *Id.* 166 F. Supp. at 826.

Research contends that, because it was not using the invention covered by the claims and the alleged trade secrets were part and parcel of the invention, it necessarily follows that there was no unfair competition. The argument is that a decision that the claims were not infringed is tantamount to a conclusion that the alleged trade secrets were not used in the accused analyzer. But this argument is entirely without merit. We have already noted that to sustain a charge of infringement all of the elements of an invention must have been present in an accused device. But to sustain Engelhard's claim of unfair competition it is only necessary that some secret information relating to one or more essentials of the method or apparatus invented by Hersch have been misappropriated.

Finally, Research contends that Engelhard's counsel stipulated in open court that no trade secrets were involved. But the trial court certainly did not render its decision on the basis of any such concessions; we note that our review is limited to the narrow issue, whether in the absence of infringement there could be, as a matter

of law, no taking of trade secrets. The proceedings on remand will be time enough for Research to point out other grounds upon which it might prevail, if any there are.

The judgment, insofar as it holds that the patent in suit was not infringed, is affirmed; and insofar as the judgment holds that Engelhard has no claim for unfair competition, it is reversed and the cause remanded for further proceedings not inconsistent with this opinion.

(Endorsed) Opinion Filed Oct. 28, 1963.

Frank H. Schmid, Clerk.

Judgment of the United States District Court, Southern District of California, Central Division.

In the United States District Court, Southern District of California, Central Division.

Engelhard Industries, Inc., Plaintiff, vs. Research Instrument Corp., Defendant. Civil Action No. 370-59-PH

A motion by the defendant above-named for summary judgment in its favor dismissing the action having been duly brought on to be heard, and the court having made an order pursuant thereto granting the defendant's motion and directing that judgment be entered herein in the defendant's favor dismissing this action with costs and disbursements, good cause being shown it is hereby

Ordered, Adjudged and Decreed that the complaint be dismissed on the merits, that defendant recover its costs, and the court reserves jurisdiction to take evidence on the question of attorneys fees on motion as provided for in Section 285 of Title 35, USC. The above is a substitute for the Judgment heretofore lodged with the Court under date of October 5, 1961.

Dated: Dec. 12, 1961.

Peirson M. Hall,
Chief Judge, U. S. District Court.

Disapproved as to form
Copy received
Ralph B. Pastoriza,
Attorney for Plaintiff
Dated: October 5, 1961.

Judgment of the United States Court of Appeals for the Ninth Circuit.

United States Court of Appeals for the Ninth Circuit.

Engelhard Industries, Inc., Appellant, vs. Research Instrumental Corp., Appellee. No. 17,848.

Appeal from the United States District Court for the Southern District of California, Central Division.

This Cause came on to be heard on the Transcript of the Record from the United States District Court for the Southern District of California, Central Division and was duly submitted.

On Consideration Whereof, it is now here ordered and adjudged by this Court, that the judgment of the said District Court in this Cause be, and hereby is affirmed insofar as it holds that the patent in suit was not infringed; and insofar as the judgment holds that Engelhard has no claim for unfair competition be, and hereby is reversed, and that this cause be and hereby is remanded for further proceedings not inconsistent with the opinion of this Court—without costs to any party.

Filed and entered October 28, 1963.

APPENDIX C.

No. 17,848

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

ENGELHARD INDUSTRIES, INC.,

Appellant,

vs.

RESEARCH INSTRUMENTAL CORPORATION,

Appellee.

PETITION FOR REHEARING.

To the Honorable Koelsch, Circuit Judge, Hamley, Circuit Judge, MacBride, District Judge:

The appellant, Engelhard Industries, Inc., respectfully petitions for a rehearing to reconsider the judgment entered in this action on October 28, 1963.

The petition for rehearing in this matter is directed solely to the opinion of this Court wherein the District Court's decision is affirmed insofar as non-infringement is concerned.

1. The first ground urged for rehearing is the statement of this Court that the District Court was entitled to conclude "from the materials before it on the hearing for the motion for summary judgment, that the accused analyzer did not incorporate this distinctive feature of the invention" (*i.e.* "free area") on the cathode. The Court states that there "was nothing else in the record to counter the showing made by Research" relative to the affidavit of "one Lawlor, a physicist,"

2. The second ground urged for rehearing relates to United States Patent No. 2,992,170 which issued after the date of the hearing (rather than before the date of the hearing as printed in Footnote 5); said patent contains statements made by Research through its Patent Attorney Lawlor contrary to the District Court's interpretation of subsequent alleged facts of the affiant Lawlor.

Considering now the first ground, the motion for summary judgment as filed by Research did not include any affidavit. However, the motion did refer to and did enumerate some twenty-one sets of documents including sworn admissions and interrogatories of record on this appeal [R. 90-92]. Subsequently, after Engelhard's answer to the motion, Research filed a reply brief including the affidavit of Lawlor, an attorney of record for Research in the District Court and patent lawyer for Research for a number of years [R. 197]. Counter-affidavits were not filed by Engelhard because the Lawlor affidavit raised no issue of fact not clearly controverted by sworn statements of Engelhard in the record prior to the motion hearing. (F. R. C. P. 56 not requiring opposing affidavits.)

The District Court considered *only* four requests for admissions and answers thereto in addition to the affidavit of Lawlor in formulating its conclusion of non-infringement [R. 249]; also, the District Court directed its attention only to the issue of file wrapper estoppel [R. 249]. Furthermore, only one of these four an-

swers was related to the limited issue now before this Court of the "free area" on the cathode [R. 22—No. 256].

The District Court did not consider the answers to requests for admissions Nos. 254, 255, 259, 260 [R. 83 through R. 86]; furthermore, the District Court did not consider answers to requests for admissions Nos. 60, 61, 62, 63, 64, 65, 68, 69, and 86 [R. 22-R. 25 and R. 32]. *Each of these sworn answers by Engelhard specifically denies that the cathode of the accused analyzer was totally covered with electrolyte.* These sworn statements are a part of the record relied upon by Research in its motion for summary judgment [R. 91, Items 4 and 5]. The sworn answer to request for admission No. 60 [R. 22], for example, specifically states that the cathode of the accused device has a portion free of electrolyte (See Appendix).

Thus, the only portion of the record which formed a basis for District Court's conclusion was the answer to interrogatory No. 256 [R. 83] and the Lawlor affidavit.

Considering answer No. 256, the District Court did not consider that moisture characterizes every device of this type and will form a thin film on the part of the cathode which is free of bulk electrolyte, and that this thin film is electrolytically conducting to a slight extent such that it may also be and was technically termed an electrolyte [R. 23, Answer No. 62, line 29, Patent No. 2,992,170, column 5, lines 30-35 of said patent and Hersch patent, column 6, lines 35-36].

The Lawlor affidavit is ambiguous since it states the electrolyte covers, which may mean rises by capillary attraction to the uppermost part of the cathode, rather than "envelopes" as this Court recognizes to be the proper term (first full para. p. 6 of Court's decision).

Thus, the District Court's conclusion of "no genuine issue of fact" was based only upon a technically ambiguous answer to a request for admission and a technically ambiguous affidavit of opposing counsel submitted in a reply brief and did not consider the numerous sworn statements to the contrary by Engelhard *in the record*.

In considering the second ground of this petition for rehearing, it is believed that the District Court erred and should further have granted appellant a rehearing on the basis of United States Letters Patent No. 2,992,170 which issued July 11, 1961, about three weeks after the hearing on the motion for summary judgment (June 19 and 20, 1961).

The patent clearly refers to a thin film of moisture covering the uppermost part of the cathode (Patent No. 2,992,170, column 3, lines 30-35) and to "menisci" on various portions of the cathode screen (Patent No. 2,992,170, column 9, lines 66-69; column 10, line 2; also appellant's brief, pp. 25 and 26). Meniscuses are well known in the art and cannot form unless there is a junction or boundary between a wetted part and a non-wetted part of a body. Thus, if "menisci" exist, then

non-wetted parts or "free areas" characterize the cathode [R. 23, No. 61 and 62].

Accordingly, it is respectfully requested of this Honorable Court that appellant be given an opportunity to have a rehearing on the basis of the record now before this Court or supplemented if permissible with other portions of the certified record and the record before the District Court, but not made a part of the printed record on appeal because of the limited issue of file wrapper estoppel.

Undersigned counsel certifies that this petition is not interposed for delay and that in his judgment it is well founded.

Dated: November 22, 1963.

WILLIAM J. ELLIOTT,
ELLIOTT & PASTORIZA,
Attorneys for Engelhard Industries, Inc., Appellant.